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places, which in turn has deprived them of their legitimate profession. I also wish to stress the failure on the part of the concerned authorities to protect the weavers and their rights in that village and the immediate and urgent need on the part of this Government to do the needful to see that the weavers do not any more suffer in the hands of the majority, and thus bring in an atmosphere wherein the weavers can come back to their village and carry on their normal work.

THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir, I wish to make the following statement :

Muthukavundanpalayam is a hamlet of Nandavanampalayam of Dharapuram Taluk of Coimbatore District. There was rivalry between two groups of weavers in Muthugoundanpalayam regarding the use of the Common 'Pavadi' in the Village, by some of the weavers, resulting in one of the villagers erecting a bund across the 'Pavadi'. On intervention of the Government officials in 1962, the encroachment was removed and the matter was settled. The rivalry between the two parties got accentuated in November, 1964 prior to the Panchayat elections.

Strained feelings continued between the two parties resulting in a clash between the groups in May 1965 when eight persons sustained minor injuries and two persons sustained fracture of limbs. A criminal case under Sections 147, 323 and 435 of the Indian Penal Code is pending trial. Action under Section 107 Criminal Procedure Code has been taken against both the parties Police also have been posted permanently in the village. About 30 families of one group also left the village.

The Collector of Coimbatore met some of the emigrating families during one of his camps at Avanashi and advised them to return to the village. These families, however, for reasons of their own, have chosen to stay away from the village. The Collector would also shortly visit the village and try to settle the dispute.

In view of the pendency of the Criminal case, the Government not wish to give further details.

There has been no untoward incident after 23rd May 1965 and do not wish to give further details.

IV.—DISCUSSOIN ON THE STATE ELECTRICITY BOARD BUDGET FOR 1965-66—*cont.*

MR. CHAIRMAN : The Hon. Minister will now reply to the debate on the Electricity Board Budget. 3-30 p.m.

* THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir. first of all, I wish to express my thanks to the members who have participated in the debate on the Electricity Board Budget and offered very useful suggestions for improving the administration of

the Board. As you are aware, Sir, we are governed by a specific statute, namely, the Electricity Supply Act of 1948, and the statute provides for certain obligations which are slightly different from the normal administration of corporations and companies. Unless we keep in mind the difference between a company or a corporation, which is registered under the Companies Act, and a corporation like the State Electricity Board which is statutory and bound by obligations, rights, and duties, mentioned therein, it will be difficult to appreciate the various points presented here. In the first place, so far as the keeping of accounts of the Board is concerned, we have to follow section 67 of the Electricity Supply Act under which specific instructions are given as to what are the various items to which the revenues of the Board should first be applied. I do not want to go into elaborate details. The budget which is presented to the House is based on sections 67 to 71 of the Electricity Supply Act. The Electricity Board also maintain another set of accounts called the commercial accounts in which they give the normal depreciation according to the sinking fund method and then arrive at the profit and loss. The Electricity Board have also a third account, which they submit to the Income-tax authorities as a company, and wherein they claim certain rights which are allowed to assessees of income-tax. For instance, there is no provision in the Electricity Supply Act of 1948 for any development rebate to be claimed, whereas under the income-tax law, the Electricity Board can claim the normal depreciation as well as the development rebate working out at somewhere about 40 per cent of the net revenues. Now in the matter of administering these funds, as I have mentioned during the course of the debate when Sri Balasubramanya Ayyar was commenting on it, we prepare the forecast of the expenditure for the year ahead like the ordinary budet proposals. We also prepare a statement of account of the revised expenditure of the current year and present it after the expenditure is incurred. Audit then takes place, and then in the audit certain observations are made which again go before the Public Accounts Committee. The hon. Member Sri Balasubramanya Ayyar said that this involved delay in actual audit and in understanding the accounts of the Electricity Board. Personally I entirely agree with him. It is my view that all corporations which are started either by the Government of India or by anybody should be subject only to commercial audit by a chartered accountant immediately after the conclusion of the year so that faults, mistakes, omissions or misclassification of funds, if any, may be reappropriated to proper heads as soon as the audit is over. We are not free agents in this matter. We are bound to follow the Electricity Supply Act and, therefore, we have got to keep this account. There is a great advantage in auditing the accounts of any corporation for that matter as soon as the financial year is over so that we may be able to know exactly the financial position, the soundness, and the profitability or otherwise of the institution within three months of the closing

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of the accounts. In a small way, as the Leader of the opposition knows, the Madras Industrial Investment Corporation has only adopted commercial accounting, and we have appointed a chartered accountant as the auditor, and we are able to get our reports in time. But I must explain that since we are obliged to keep accounts according to the provisions in the Electricity Supply Act, and since we are obliged to have the accounts audited by the Accountant-General, the Auditor-General generally makes the arrangement for the audit; there is delay in the matter of presentation of accounts, and that is not either the fault of the State Electricity Board or of the Government.

The next point I would like to mention is this. Sri K. Balasubramanya Ayyar said that the provision made for bad debts was quite inadequate. The provision we have made for bad debts is quite adequate, because we have found that the amount written off or has to be written off from year to year as bad debts is hardly Rs. 5,000 or Rs. 6,000. We have already made provision for about Rs. 9 lakhs towards bad debts. Merely going on increasing the provision for bad debts is unnecessary. But nevertheless the Board will always be watching the position from year to year, and if in any particular year they are obliged to write-off a larger amount by way of bad debt, they will then make it up and see that there is sufficient provision in the bad debts reserve.

Another point which Sri Balasubramanya Ayyar emphasised was that there should be a change of policy, and that electricity should be given free up to a certain limit. Sir, I think it is a counsel of perfection. If it were possible, certainly everybody would support it. But, situated as we are, and when we have to generate power at increasing cost owing to the escalation in the cost of generation which takes place with reference to various factories like the cost of equipment and machinery . . . . . (Interruption). The hon. Member Sri Balasubramanya Ayyar's suggestions was that we must give electricity free to agriculturists.

SRI K. BALASUBRAMANYA AYYAR : Just like water given for irrigation. We are accustomed to free water.

THE HON. SRI R. VENKATARAMAN : It would be almost impossible to give electricity free. I wish to point out in this connection that Sri Balasubramanya Ayyar's suggestion is contrary to the current line of thinking on this matter not only in this country but in the whole world. We are approaching the World Bank for assistance for the development of transmission lines, etc. One of the conditions which the World Bank insists on is that the Electricity Board in the States should be able to get 12 per cent return on the capital invested. Their argument is that this is an industrial venture like any other and that it should therefore earn 12 per cent. There is also a coupled condition that if it does not earn, similar assistance by way of loan will not be forthcoming. The Government of India therefore appointed a

committee consisting of the Ministers of various States with myself as the convener to go into the question of the working of the State Electricity Board and to recommend a proper tariff. The committee after a great deal of deliberation came to the conclusion that the Electricity Boards should in the circumstances attempt to cover by their revenues the operation and maintenance expenses, the depreciation charges, and then the interest charges payable to the Government as well as to the bond holders. After having achieved this, they should go to the second stage in

3-40 p.m. which they should be able to earn not only the first phase but also a 3 per cent additional return on the capital invested. Therefore it is that we are not in a position to think of any reduction in tariff. On the other hand, it will be a superhuman endeavour on the part of the State Electricity Board to see that there is no abnormal increase in the tariffs that are now being charged. I am happy to say that among the State Electricity Boards now functioning in the whole of India, the Madras State Electricity Board's financial position is perhaps the best and that it is already in the stage in which it has covered the first phase and has been able to earn enough to meet the operation and maintenance charges, the depreciation, and also the interest charges payable to the Government.

In this connection, I would like to mention the criticism offered by the hon. Member Sri Anbazhagan saying that the Audit has pointed out that certain amounts have been credited towards interest which should not have been done. This is purely a question of misclassification of expenditure. There is neither a loss nor any serious defect in expenditure. Actually, what the Electricity Board did was to provide a 3 per cent interest on the balances not utilised in the actual undertaking saying that this is the amount which is lying idle and they have to pay interest in respect of the borrowings. The Accountant-General has pointed out that under section 67 of the Act it is not permissible to debit any interest on that account. This will be discussed. It will be coming up before the Public Accounts Committee and it will be my endeavour and the endeavour of my department to persuade the Public Accounts Committee that the system of accounting done by the Madras Electricity Board is more sound since it would enable the reserve to be created and certain funds to be allocated towards future payment of interest. If the Public Accounts Committee accepts the suggestion, then the same system may be followed: if it does not accept it, then it will be debited to the other account.

SRI K. ANBAZHAGAN: Is it necessary to amend the original Electricity (Supply) Act, if the accounting method is changed?

THE HON. SRI R. VENKATARAMAN : This has been considered by the Committee and they have said that it will be necessary to amend the Act. The All-India Committee which

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went into this question felt that the present method of allocating revenues under various heads was not very satisfactory, and they have suggested that the Act should be amended. This Act should be amended and they have made this recommendation to the Government of India. Again, the point which has been mentioned in the Audit Report is worthy of consideration. We are now making a provision in our Electricity Board Budget for the repayment of the loans which we have borrowed. Under section 67 of the Act, there is no provision for repayment. Now, if there is no provision for repayment of loans, the loan amount will go on increasing. To-day it is Rs. 200 crores; it will be Rs. 400 crores or Rs. 1,000 crores to-morrow and there will be no method of repaying that loan at all. Ultimately the interest charges at the rate of 6 per cent will come to Rs. 60 crores, if the Electricity Board loan amounts to Rs. 1,000 crores. Therefore, the Committee has also recommended that the Electricity (Supply) Act should be amended to make a provision or it should give the option to such of the Electricity Boards as are in a position to make contributions towards repayment of loan or redemption of it to do so. There also we have deviated from the Act in one or two respects. It is only on prudent considerations of stabilising the financial position of the Electricity Board and not with a view to covering any loss or deficit. On the other hand, it would have been easier for the Board to show the account and not make any provision at all for repayment of loan and then say. " We have got so much surplus left behind ". Though it would make a good show, it would not really contribute to the stability of the financial position of the Electricity Boards. We are taking steps in this regard. Even the Accountant-General has mentioned, " It has been represented to us that steps are being taken by the Government of India to have this amended ".

SRI K. BALASUBRAMANYA AYYAR: This question should be thoroughly examined. In 1958 there were only a few lakhs of rupees as loans. Now very big schemes have been undertaken. Therefore, the whole thing has to be re-examined and I would suggest to the Hon. Minister to take up this question.

THE HON. SRI R. VENKATARAMAN: This is the recommendation of the Committee called the Venkataraman Committee: " With a view, however, to enable such of the Boards as are in a position to do so to repay a portion of the loan capital, the Committee recommends that the provisions of section 67 of the Electricity (Supply) Act, 1948, be amended to provide for appropriation of revenue remaining in balance after meeting the liabilities under items (1) to (9) to a Development Fund and then item (10) of section 67 may be deleted. A further provision may be incorporated to enable the State Electricity Boards to utilise the accumulations in this Fund for repayment of the loans ". This clearly establishes beyond any doubt the excellent financial position of the Madras State Electricity Board.

Then, I will deal with a few points raised by the hon. Member Sri Anbazhagan. They were largely of an administrative character and I will try to briefly explain the position of the Board in respect of these things. The first point he raised was about the purchase of the lands in Perambur Division of the Basin Bridge Station. I have already stated in the other House and repeated here that we are requesting the Accountant-General to go into this question and to examine the propriety of the transaction. But one point which he mentioned yesterday does not appear to be correct. He mentioned that the amount was paid six months before the registration. I have the facts here that the cheque was paid only on the date of registration and not six months before. The delay in registration also is due to the Registrar requiring the vendor to file a wealth tax certificate and that caused a few days' delay. However, since the whole matter is going before the Accountant-General who, in the normal course of events will be auditing the accounts, and we are also specially requesting him to look into it, I do not want to spend more time on this.

SRI V. K. RAMASWAMY MUDALIAR : Is the Accountant-General competent to examine the accounts of the Board?

THE HON. SRI R. VENKATARAMAN : The Accountant-General examines the transactions. Even in the normal course of auditing the accounts of the State Electricity Board, the Accountant-General will go into the transaction and see whether it has been purchased and whether it has been given the normal price, and if there has been any lapse in respect of that his attention will be specially invited to this in order to give a report.

Then, Sir, the next point which he mentioned is that there is a difference in the date of birth of the Personnel Officer and that there has been something unsavoury about it. The facts are these. This Personnel Officer entered service about 34 years ago or even more. When he entered the service, his date of birth was given as 11th October 1916. But as early as 1938, that is, about 27 years ago the gentleman got the Service Register corrected and approved by the Government Electricity Department as per the provisions in the Fundamental Rules. There is nothing improper in the alteration of the date of birth because under the rules a person is entitled to have the date of birth altered at any time before five years of his retirement. In this case his date of birth was altered in 1938. The officer who authorised this and attested it is the Deputy Chief Engineer of the Electricity Department, Mr. E. J. B. Greenwood.

SRI K. ANBAZHAGAN : May I submit to the Hon. Minister that in 1950 in the Service Book the old date of birth is found and in 1965 the entry in that book is changed? Up to 1950 it has not been changed. Therefore, it has happened only after 1950 and not in 1938 and I can vouch this book may stand in good

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stead in order to know the facts. This is the entry in the 1955 book; if he gets the 1950 book it is different. Therefore, the change was not made in 1938 as the Hon. Minister states. 3-50 p.m.

THE HON. SRI R. VENKATRAMAN : Sir, I cannot go by any book which the hon. Member presents to me.

SRI K. ANBAZHAGAN : The Hon. Minister may refer to it.

THE HON. SRI R. VENKATARAMAN : Sir, what I have ascertained from the department is that the alteration of the date of birth in the Service register was approved as early as the year 1958 and there can absolutely be no question of any *mala fides* whether it was done in the year 1938 or not. That is a matter into which we cannot go at this stage. But all I can say is that I will personally call for the entry in 1938 and look into the matter.

Then, Sir, the hon. Member referred to certain leakage in the tunnel (i.e.), in the tunnels put up in the Mettur Tunnel Scheme. Sir, this is, as I have explained in the other House, nothing uncommon or unusual. The tunnels in the Mettur Tunnel scheme are of 45 feet diameter, second only to the Niagara Falls tunnel which is about 50 feet in diameter. It is one of the biggest jobs undertaken in this part of the world. It has been done exceedingly well. Actually on the 16th of this month we are going to inaugurate one of the generators in the Mettur Tunnel Scheme. It is true there were some leakage of a minor type; not of a very major type. But the contractors who have been doing this work have rectified it because we have to do a little rectification even in major works. There is bound to be a little leakage. or seepage. Even in the Mettur dam you will find a lot of leaking. Every time you notice this seepage, this leakage is rectified. In respect of this scheme, the Board had actually reserved from the two contractors Rs. 50 thousand and Rs. 30 thousand—Subramaniam and Company and Patel and Company—for future rectification if any that has got to be done. I do not think there is anything wrong about the whole transaction.

Mention was also made by the hon. Member about the fire accident in the Basin Bridge Station. In electricity undertakings and in industrial concerns such small incidents are inevitable. Then, Sir, the fire was put down as soon as it was noticed. In any event we are covered by insurance. All these are normal day to day risks in any kind of undertaking of this huge magnitude They will cover the loss from the insurance. That is the point.

Then, Sir, the hon. Member mentioned that the Government should waive interest on the capital outlay of the Board. It is another way of saying that the Government should tax the people for the service of electricity which they render to the people who use electricity. If the Government waive the interest, how are they to pay the interest charges to the Government of India? This Government have to pay interest to the Government of India.

We borrow from the Government of India and we transfer the money to the Electricity Board. Now if we do not collect any interest from the Board then we cannot pay interest to the Government of India, and it will have to come from the general revenues. For a long time to come, electricity users will have to bear the normal, legitimate charges of generating electricity. Therefore I do not see any gain in waiving interest charges.

There was also mention made that in the store purchase there is a certain amount of extravagance. Sir, the total capital invested in this undertaking is of the order of Rs. 227 crores and the actual stores that are held is worth only Rs. 17 crores. I do not think anybody who has any experience or knowledge of industrial undertakings of this magnitude will ever say that stores worth Rs. 17 crores are by any means extravagant, particularly when goods and scarce materials are not available and the non-availability of the material will very greatly hamper the expeditious execution of the various schemes. It is far better to spend a little more money and store the articles in these days when they are not available than be pennywise and not store the articles and find ourselves delayed in the execution of the schemes when the stores are needed. Even in the matter of stores purchase, the Board is following a system which has been approved by the Accountant-General. What they do is to send out notices calling for tenders except in those cases where monopoly items or patent items are concerned. In those cases you have to go only to persons who have the patent materials. In regard to goods which are available in the market or supplied by others, they call for tenders and the various firms offer their tenders for large quantities. Our Electricity Board's purchases are of a very big order. Several people tender and then the lowest tender is taken. The other people who have tendered are called and asked whether they would also tender at the lowest prices quoted by one tenderer, and the order is distributed among all the people, the largest share going to the person who tendered the lowest prices and lesser share going to the others. If this system is not followed by the Board, we will not be able to get all the quantities of materials in time because even though a particular firm might have offered to supply all the materials at the lowest price, we know very well and positively that it will not be able to supply the entire quantity. Since we require very large quantities, it has become necessary for us to adopt this system which is frank and open. The lowest tender is taken and the others are called as I said and told: 'This is the price at which so and so has tendered. If you are also prepared to supply at the same prices, then you will get a fraction of the entire order'. And this is done in order to ensure that the supplies are kept up. Otherwise, if we depend on one tenderer, in these days we may be left without the articles when we require them. That is why this system has been followed, and it has been scrutinised by the Accountant-General, and there has been no comment on the method of purchase adopted by the Board.

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SRI K. ANBAZHAGAN : May I know whether the materials are tested and whether there is any difference between the materials supplied by the different contractors?

THE HON. SRI R. VENKATARAMAN : Yes; that is done. Take the case of meters. We want an enormous number of them. We give the specifications and when they are tendered, the Board examines whether the tenders are according to the specifications given. If they are not according to the specifications that tender is rejected. The other people who have tendered and which are according to the specifications given, from among them, the lowest tender is taken and the other people are asked to supply at that price. I must say that this is a very satisfactory arrangement. I would even commend this to the other departments where they are now going merely by the lowest tender and find themselves left in the lurch by the tenderer not being able to supply the materials at the proper time.

Sir, the hon. Member also mentioned that there has been something wrong in the purchase of the Kalinga tubes. The Electricity Board usually purchases from the Tatas the India tubes. But we all know that to-day there are not many suppliers and we are not able to get all the quantities that we want. The Kalinga Tubes is one of the two companies which is recognised by DGSD (Director General of Supplies and Disposals) and who are obliged to supply at a rate card. A certain price is fixed by the Government of India. There is no question of tender, and they have to supply at that price. Now the person who has to supply at the rate card system will have to supply at that price irrespective of what the market conditions are and what the ruling prices are and so on. We purchase it from that particular firm because it is under rate card. It was said that the tubes were not of very high quality. Yes, it is true. If the tubes were as good as the Tata tubes then there will be no question of these people accepting the rate card system. Probably they would have said they would sell at a higher price. We have therefore to accept the second best materials in order to execute our schemes and plans. It is not so good but still serviceable. If they are useless, nobody will buy them. These pipes have been used for main purposes and there has been no difficulty on that account. Therefore. I would like to say that there is nothing wrong in the purchase of Kalinga tubes, and I am sorry that the person who has given all this information has not given the full information to the hon. Member.

Then there is also the criticism why there should be an Additional Chief Engineer, and that the Chief Engineer has been deprived of some of his important jobs. Sir, normally I would not have answered this. Because Sri Anbazhagan has raised this I am inclined to say this. I was also responsible for this appointment of Additional Chief Engineer. The Chief Engineer is a Civil Engineer, and we thought that the man would rise and 4-00

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answer to the description of the job. But unfortunately, in our experience, we have found that he has not been able to cope with the work, and it has become necessary to appoint an Additional Chief Engineer in-charge of the electricity side. The Chief Engineer is on the civil side and the Additional Chief Engineer is on the electrical side. This is a normal administrative routine procedure.

SRI K. ANBAZHAGAN : The duties and powers are not on the basis of civil and electrical sides. I understand that the Additional Chief Engineer has got more powers on the administrative side than on the electrical side.

THE HON. SRI R. VENKATARAMAN : After having constituted the Electricity Board and after having appointed a Chairman, should we not allow the Chairman to perform his duties according to exigencies? He has got the discretion to distribute the work among the officers. If there is any loss and if there is anything wrong, then it is a matter for comment. That certain powers have been taken from one officer and given to another officer, is not a criticism of the Board. The Chairman of the Board, whoever he may be, has discretionary powers in the distribution of work. If we do not give him the discretionary powers, how is he to carry on the work? If you say that the Board has suffered a loss, then I am willing to consider. If you say that there has been deterioration in the service and loss of efficiency, we are prepared to consider them. Merely saying that a particular person has been given some powers would not be considered to be a serious criticism.

I will deal with the labour question in the end. Now I will deal with the other points raised by a number of members. Mr. Rajah Iyer suggested that the shut down of electricity for purposes of maintenance should be on some one of the specified dates. It is a very valuable suggestion and the Board will take steps to implement it.

Then Mr. Rajah Iyer also said that fuse calls are inadequate and that there should be more helpers to attend to the fuse calls. As was done previously by the Board, a reply will be given to this also along with other answers to be printed and placed on the table of the House.

Then there was also a criticism that there is delay in replacement of fuses. That will be attended to. Then Sri Jayarama Reddiar said that there should be more thermal power stations. We are trying to increase the thermal stations. In this connection in answer to the complaint made by Sri Anbazhagan or some other member, I wish to state that the percentage of thermal power is 43 in Bombay, and the percentage of thermal power is 42 in Madras. Therefore, we are not lagging behind in anything in any event, not even in electricity.

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Then a suggestion was made that grouping restrictions should be removed. We have already removed the grouping restrictions for agriculture in 60 out of 103 taluks. The Board is actively considering this question and will go on removing these restrictions from time to time.

Another suggestion made by Sri A. K. Thangavel Mudaliar is that agricultural tariff should be reduced. At the present moment the cost of supply of power to agriculture for the Board is 14 nP. We are charging 8.25 and it would be very difficult to reduce it further.

Sir, another point on which there has been a great deal of discussion is that relating to the Electricity Board labour.

SRI K. ANBAZHAGAN : Will the Hon. Minister explain the proportion of charges paid to the other units that are produced as well as the charges for administration in that connection?

THE HON. SRI R. VENKATARAMAN : That will be very difficult to work out. We will have to engage an actuary to work out the cost in the overall grid. We are able to recover about 9.5 nP. per unit, taking into account the units produced and utilised.

SRI V. K. RAMASWAMY MUDALIAR : I put forth before the Hon. Minister that some concession should be shown to agriculturists in the dry areas with a view to stepping up food production.

THE HON. SRI R. VENKATARAMAN : I am very sorry I am unable to hold forth any hope.

In the speech I mentioned that the relationship between the Board and its employees has been cordial. Sir, I repeat that it has been cordial in the year under review. There has not been a single strike. There has not been a single go-slow. There have been no cases or instances of any stoppage or delaying of work or anything of the kind. Small day-to-day grievances of the workers have been redressed by the department by mutual discussions. About 153 cases relating to day-to-day personnel cases which were before the Labour Officer were settled by mutual discussion.

(Dr. H. V. Hande Rose)

I had the patience to hear the hon. Member and I hope he will reciprocate the same. The relationship between the Board and its employees, throughout the year, has been one about which we have never heard any criticism or complaint. After all I am personally in touch with most of the labour leaders. They would have come and told me if there was any problem. It is true that there are some cases pending in respect of wages and dearness allowance to be given. The point at issue is this. The Board has said that it will treat the employees as Government servants and that it will give them the pay and allowances that are given to the Government servants, 4–10 p.m.

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who are their counterparts in the service of the Government. I will go into the reason why we said so. Now, out of 34,000 workers, almost every one except a few—five or six thousand—have exercised the option to be governed by the pay and allowances of the State Government servants. They have signed and given it to the Board. There is one small section of the labour union which does not believe in any smooth relationship with the employer at any time. Now this section is going on dangling the hope before labour saying, 'You will not only get what you are getting as the Government servant, but if you go on agitating in the Court, you will get something more'. Sir, this section of labour came and met me, and then this is exactly what they said, namely, 'You have already agreed to give the allowances and pay scales of the Government servants.' Without their asking, we increased the dearness allowance five times in the course of these two years. Whenever the allowances of the Government servants were increased, the allowances of the Electricity Board employees were also increased. There was no demand by them. There was no request and nothing of the kind. Now, when people know that we are offering it on the basis that they will be treated as Government servants, and they are accepting it, I wonder what is the case they have. There are any number of decisions of the Supreme Court which say that if the employees accept the payment on the terms proposed by the employer, then that should be deemed to be a settlement. In cases which were filed years ago on which they are going on agitating, we have taken the stand that they are Government servants and they are entitled to the benefits of the Government servants, and we shall bring them on a par with Government servants. To say that the Government should not go at all in appeal on any matter, is advice which I do not think any civilised Government has accepted at any time, more particularly at a time when there is a conflict of decisions from various courts with regard to what is exactly the type of remuneration that should be given and what is the standard on which it should be given, Sir, there is absolutely no real dispute between the workers and the State Electricity Board to-day. I find that an infinitesimally small group of people have been going round canvassing half-truths and trying to raise on the floor of the House something which has not been raised for 364 days in the year. On the 365th day, when we are discussing this budget, there is a great deal of talk from members both in this House and the other House. For the other 364 days, there has not been any mention of anything at all—any serious situation or dispute or difference or a break down in the relationship or anything of that kind. Just because labour is one of the things that could be discussed among other things in the Electricity Board budget, we cannot bypass the well-known channels of settlement of disputes. The well-known channels of settlement of disputes are negotiation, conciliation, and so on. So, if they have any dispute, they should have to go through the normal channels for conciliation or arbitration or adjudication. If they

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go to court, the other side will also go to court to establish what is the real law on the subject. It is not as if the High Court said, ' Give Rs. 50 to the worker and the Board refused to give it '. The question is, ' What is the real law on the subject? Is it a matter which can go to the court? ' To say that it is unbecoming of the Government or the Minister to have done it, is I think based on lack of information, which they should have gone into before making statements. I shall also explain why the Government decided that they should be treated on a par with Government servants. Sir, in the earlier part of my speech I explained the different systems of accounting that we have to follow. As far as any industry is concerned, any court which hears a labour dispute will go only according to the income-tax account. They will not go on the basis of any other account. The income-tax account of the Madras State Electricity Board now and for ever in perpetutity will show a loss. The people do not understand this, because every year the Board is entitled to development rebate. Every year we are starting new schemes. If I start a scheme for Rs. 10 crores this year, the Board will be entitled to a development rebate of nearly Rs. 4 crores, and it will take three years or four years before a profit on that undertaking can be got. During this four-year period, the Board will be getting the development rebate. It will be a perpetual loss. The Electricity Board will show profit only when it stops expansion. The moment I stop my expansion, the Board will show profit. But as long as it continues to expand and expand at this rate, the Board will continuously show a loss. In spite of the fact that one of the representations of the World Bank have complimented the Madras Government on the excellent way in which the Electricity Board is working, I would like to say that the Board's income-tax account would show a loss of Rs. 4,59,000 in one year and Rs. 5 lakhs in another. This is so, because they have added the development rebate, which they are entitled to transfer from the sinking fund, and shown it as one of the debitable items of expenditure. So at no time these people will be able to say that the Board is working at a profit. I do not think we can tell the worker in the Education department, ' No, no, you are not entitled to your wages because the department is working at a loss '. Similarly I should not say that the worker in the Board is not entitled to normal wages because the Board is working at a loss. All public utility companies, I wish to emphasise, which adopt commercial accounting method by which returns are given under the income-tax law, will never show any profit to the worker. If it does not show any profit, his chances of getting anything will be greatly jeopardised. Therefore, they have examined all aspects, and the Government know that they have been Government servants before, and they only transferred themselves from the Government to the Board in 1957. The entire terms and conditions of the Government service are continued. Therefore the Government thought that they should continue to give them pay and allowances irrespective of the fact that a profit was made

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or a loss was incurred in the State Electricity Board, and whether they are as well off or as badly off as the Government servants of comparable status and comparable work.

DR. H. V. HANDE : On a point of information, Sir. The Hon. Minister said that 153 cases had been resolved. May I know out of how many cases, these 153 cases were resolved? Another point is this. Twenty-two thousand employees are still kept temporary. They have worked for three to six years. By declaring them as Government servants, will they be made permanent?

THE HON. SRI R. VENKATARAMAN : The hon. Member is always hasty. I will never close my reply to the debate without meeting every one of the points that have been raised.

Now the number of cases that have been pending before court—that is, purely personal cases—would be somewhere about 500, of which 153 cases have been settled by negotiation. The number 500 is a flexible one. Everyday new cases come in. When any person is transferred, a case comes. When a person is given new work, another case comes. This is not a fixed number. It is a fluctuating and growing number. That is what I find. About 153 cases have been settled by negotiation.

The next important point is about the Electricity Board employees. Sir, a large number of them are satisfied and want to have peaceful relationship with the Board. If they come and represent that there are variations in pay and allowances and that they should be made good, the Government immediately make good. Should a small disgruntled group of men go on disturbing the peaceful relationship, is a matter for the consideration of the House. It is a disgruntled group but a small group. Some months ago the Electricity Board workers came to me and said, "You
4–20 p.m. have said that we will be treated as Government servants. Government servants can go into a hospital and get hospital attention without payment. But if we go, they ask us to make payment." Immediately the Government took it up with the Medical Department and then asked them to give the medical treatment free and debit the expenditure to us. The Medical Department said, "You are a Board. Therefore, you must pay." Therefore, the Board has now paid the probable amount which the employees may have to pay in advance and they are now given the free medical treatment which the Government servants are getting. I am citing this as an instance of the Government taking interest in seeing that every one of these things is provided. There is no worthwhile dispute. This is being engineered by a small section, and I am quite sure that very soon their methods will be exposed.

Then, the other question is that there are a large number of temporary employees. The Electricity Board takes up projects like the Kundah Project and the Kodayar Project. For each one

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of these projects they have a certain number of permanent employees, about 30,000. But for projects they have to take some people who will have to go at the conclusion of the project except those who could be transferred to some other project again. When people talk of permanency, they do not understand the difference between a commercial undertaking and the Government. In an ordinary commercial undertaking, after six months every man is called permanent. The moment work decreases, they can be given fifteen days or one month's notice and given 15 days' retrenchment gratuity and sent out. But in Government once we have a post declared permanent, unless the post is abolished, we cannot send out a person. Therefore, there is a lot of difference between Government service and the private commercial services. If you kindly look at the Appeal and Disciplinary Rules of the Government on the one side and the Standing Orders approved by the Labour Courts and the Labour Department of the Government, you will find this immediate difference that in respect of even a permanent worker, he can be sent out on 15 days' notice. All that the employer will have to pay is the retrenchment gratuity of 15 days' payment for each year of service. On the other hand, in the Government once we say the post is permanent, unless the post is abolished, we cannot send out an employee. Therefore, all those employed in the construction have got to be kept in the Nominal or Muster Roll. These people are temporary and will be employed only for the construction of the particular project. When that project is completed in course of years, they will have to go, but the Board always absorbs them in other projects. We have now sent people from the Kundah Project which is nearing completion to the Kodayar Project and there are as many as 10,000 working there. The Board makes every endeavour to see that the people who have once been taken are absorbed in the other various schemes and it has never adopted the attitude of the other commercial institutions in which they give the retrenchment gratuity and ask them to go away. Therefore, even here there is no cause for complaint. The nature of work is such that there will be only temporary employment in certain projects, as for instance, in projects which conclude in the course of a few months. They get all the allowances. We have increased their allowances also. I do not want to trouble the House with details. Actually we have given 20 nP. and 40 nP. increase in allowances for the Nominal or Muster Roll people. We have tried to do all these things to see that we have a contented labour. I only wish that others do not create problems for the Government.

I have done, Sir.

Sri K. ANBAZHAGAN : One more clarification, Sir. The workers are treated as industrial employees in certain respects and in other respects they are treated as Government employees. In what respects are they given parallel consideration with the Government employees and in what respects are they entitled to be treated as industrial employees?

THE HON. SRI R. VENKATARAMAN : In the matter of labour relations under the Factories Act and the Shops and Establishments Act, they are treated like the commercial employees because they are governed by them. In the matter of pay and allowances—this is the most important thing required—in order to protect them against the vagaries of the fortunes of the Electricity Board, we have said that they will be treated as Government servants.

MR. CHAIRMAN : We shall now proceed to the next item on the agenda.

V.—GOVERNMENT BILL

THE MADURAI UNIVERSITY BILL, 1965 (L.A. BILL NO. 11 OF 1965).

THE HON. SRI M. BHAKTAVATSALAM : Mr. Chairman, Sir, I move—

"That this House concurs with the Assembly in setting up a Joint Select Committee of both the Houses consisting of 18 Members (12 Members of the Legislative Assembly and 6 Members of the Legislative Council) to consider the Madurai University Bill, 1965 (L.A. Bill No. 11 of 1965) and that the following Members of this House be selected to serve on such a Joint Select Committee—

The Hon. Sri R. Venkataraman,
Dr. A. Lakshmanaswami Mudaliar,
Sri K. Balasubramanya Ayyar,
Sri S. Jayarama Reddiar,
Sri K. Anbazhagan, and
Sri K. Rajaram."

Sir, hon. Members are aware that at present there are only two Universities in the State, namely, the Madras University and the Annamalai University. As the latter is of the unitary type, practically all aspects of higher education—academic and professional—are dealt with by the Madras University alone. The Southern Region of this State has a large number of Arts and Professional Colleges which are affiliated to the University of Madras. In fact, this has attracted the attention of the University Education Commission which has observed that there is need for a teaching-*cum*-affiliating University for the Southern Region. The general Inspection Commission of the Madras University has also indicated in its report the need for the setting up of a University at Madurai. The University of Madras has already set up a University Centre at Madurai. This Centre has developed to such an extent that it is now capable of being raised to the status of a full University. The Government, therefore, approved in principle the proposal for the establishment of a new University